

**Ameren Illinois Gas Rate Zone II - (CILCO)**  
**Statement of Operating Income with Adjustments**  
For the Test Year Ending December 31, 2016  
(In Thousands)

Line No.	Description	Company Supplemental Rebuttal (Ameren Ex. 32.2 WP)	Company Adjustments (Sch 1, page 2)	Company Surrebuttal Present (Cols. b+c)	Company Surrebuttal Proposed Increase	Company Surrebuttal Proposed (Cols. d+e)
	(a)	(b)	(c)	(d)	(e)	(f)
1	Gas Operating Revenues	\$ 90,636	\$ -	\$ 90,636	\$ 11,003	\$ 101,639
2	Other Revenues	1,122	-	1,122	-	1,122
3	Total Operating Revenue	91,759	-	91,759	11,003	102,761
4	Uncollectible Expense	935	-	935	112	1,047
5	Cost of Gas	-	-	-	-	-
6	Production Expenses	772	-	772	-	772
7	Storage, Term., and Proc. Expenses	3,905	(2)	3,904	-	3,904
8	Transmission Expenses	1,744	(0)	1,744	-	1,744
9	Distribution Expenses	23,478	(23)	23,455	-	23,455
10	Cust. Accounts, Service & Sales	7,251	(1)	7,250	-	7,250
11	Administrative and General Expenses	15,337	102	15,439	-	15,439
12	Depreciaton and Amortization	13,985	-	13,985	-	13,985
13	Taxes Other Than Income	4,135	-	4,135	-	4,135
14	Rounding	-	-	-	-	-
15	Total Operating Expense					
16	Before Income Taxes	71,542	76	71,618	112	71,730
17	State Income Tax	281	(4)	277	844	1,121
18	Federal Income Tax	1,173	(16)	1,158	3,516	4,674
19	Deferred Taxes and ITCs Net	3,395	-	3,395	-	3,395
20	Total Operating Expenses	76,392	57	76,448	4,472	80,920
21	NET OPERATING INCOME	\$ 15,367	\$ (57)	\$ 15,310	\$ 6,531	\$ 21,841
22	Company Rate Base (Schedule 2, page 1, col d, line 21)					\$ 285,308
23	Company Overall Rate of Return (Schedule 5, col e, line 18)					7.655%

Ameren Illinois Gas Rate Zone II - (CILCO)  
Adjustments to Operating Income  
For the Test Year Ending December 31, 2016  
(In Thousands)

Line No.	Description	Interest Synchronization Part 285 Ex. 34.2, Sch 3	Gasoline Price Adjustment (Staff Ex. 11.0, Schedule 11.01)	Diesel Fuel Price Adjustment (Staff Ex. 11.0, Schedule 11.02)	Charitable Contributions Adjustments (AIC Exhibit 33.0)	(source)	(source)	(source)	Total Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Gas Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	-	-	-	-	-
4	Uncollectible Expense	-	-	-	-	-	-	-	-
5	Cost of Gas	-	-	-	-	-	-	-	-
6	Production Expenses	-	-	-	-	-	-	-	-
7	Storage, Term., and Proc. Expenses	-	(0)	(1)	-	-	-	-	(2)
8	Transmission Expenses	-	(0)	(0)	-	-	-	-	(0)
9	Distribution Expenses	-	(7)	(16)	-	-	-	-	(23)
10	Cust. Accounts, Service & Sales	-	(0)	(1)	-	-	-	-	(1)
11	Administrative and General Expenses	-	(0)	(0)	102	-	-	-	102
12	Depreciation and Amortization	-	-	-	-	-	-	-	-
13	Taxes Other Than Income	-	-	-	-	-	-	-	-
14		-	-	-	-	-	-	-	-
15	Total Operating Expense								
16	Before Income Taxes	-	(8)	(18)	102	-	-	-	76
17	State Income Tax	2	1	1	(8)	-	-	-	(4)
18	Federal Income Tax	9	3	6	(33)	-	-	-	(16)
19		-	-	-	-	-	-	-	-
20	Total Operating Expenses	11	(5)	(11)	61	-	-	-	57
21	NET OPERATING INCOME	\$ (11)	\$ 5	\$ 11	\$ (61)	\$ -	\$ -	\$ -	\$ (57)

## Ameren Illinois Gas Rate Zone II - (CILCO)

## Rate Base

For the Test Year Ending December 31, 2016

(In Thousands)

Line No.	Description	Company Supplemental Rebuttal (Ameren Ex. 32.2 WP)	Company Adjustments (Sch 2, page 2)	Company Surrebuttal Rate Base (Col. b+c)
	(a)	(b)	(c)	(d)
1	Gross Plant in Service	\$ 746,549	\$ (6)	\$ 746,543
2	Less Accum. Deprec. and Amort.	(405,020)	-	(405,020)
3		-	-	-
4	Net Plant	341,530	(6)	341,524
5	Additions to Rate Base			
6	Cash Working Capital Allowance	6,224	2	6,226
7	Materials & Supplies Inventory	23,727	(950)	22,777
8		-	-	-
9		-	-	-
10		-	-	-
11		-	-	-
12		-	-	-
13		-	-	-
14	Deductions From Rate Base			
15	Accum. Deferred Income Taxes	(77,739)	-	(77,739)
16	Customer Advances for Construction	(3,556)	-	(3,556)
17	Customer Deposits	(3,925)	-	(3,925)
18		-	-	-
19		-	-	-
20		-	-	-
21	Rate Base	\$ 286,261	\$ (954)	\$ 285,308

Ameren Illinois Gas Rate Zone II - (CILCO)  
Adjustments to Rate Base  
For the Test Year Ending December 31, 2016  
(In Thousands)

Line No.	Description	Cash Working Capital Part 285 (Ex. 34.2, Sch 2)	Gas in Storage - Materials and Supplies (Staff Ex. 11.0, Sch. 11.03)	Capitalization of Fuel Cost (Staff Ex. 11.0, Sch. 11.04)	(source)	(source)	(source)	Total Rate Base Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Gross Plant in Service	\$ -	\$ -	\$ (6)	\$ -	\$ -	\$ -	\$ (6)
2	Less Accum. Deprec. and Amort.	-	-	-	-	-	-	-
3		-	-	-	-	-	-	-
4	Additions to Rate Base	-	-	(6)	-	-	-	(6)
5	Additions to Rate Base							
6	Cash Working Capital Allowance	2	-	-	-	-	-	2
7	Materials & Supplies Inventory	-	(950)	-	-	-	-	(950)
8		-	-	-	-	-	-	-
9		-	-	-	-	-	-	-
10		-	-	-	-	-	-	-
11		-	-	-	-	-	-	-
12		-	-	-	-	-	-	-
13		-	-	-	-	-	-	-
14	Deductions From Rate Base							
15	Accum. Deferred Income Taxes	-	-	-	-	-	-	-
16	Customer Advances for Construction	-	-	-	-	-	-	-
17	Customer Deposits	-	-	-	-	-	-	-
18		-	-	-	-	-	-	-
19		-	-	-	-	-	-	-
20		-	-	-	-	-	-	-
21	Rate Base	<u>\$ 2</u>	<u>\$ (950)</u>	<u>\$ (6)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (954)</u>

**Ameren Illinois Gas Rate Zone II - (CILCO)**  
**Cash Working Capital Requirement Employing the Gross Lag Methodology**  
For the Test Year Ending December 31, 2016  
(\$000s)

Line No.	Description (A)	Company Direct Proposed (B)	Revenue Lag/Expense (Leads) (C)	CWC Factor (D) (Col E/365)	Cash Working Capital Requirement (E) Col. D x Col. B
<b>REVENUES</b>					
1	Revenues at Present Rates	\$ 102,761	55.68	15.25%	\$ 15,676
2	Plus PGA Revenues	97,804	55.68	15.25%	\$ 14,920
3	Plus ICC Gross Revenue Tax	176	-	0.00%	\$ -
4	Plus Municipal Utility Tax	3,438	-	0.00%	\$ -
5	Plus Energy Assistance Charges	2,219	-	0.00%	\$ -
6	Plus Illinois Public Utility Tax	5,636	-	0.00%	\$ -
7	Plus Interest Expense and Bank Facility Fees	7,972	55.68	15.25%	\$ 1,216
8	(Less) Deferred Taxes and ITCs Net	(3,395)	55.68	15.25%	\$ (518)
9	(Less) Uncollectibles	(1,047)	55.68	15.25%	\$ (160)
10	(Less) Depreciation and Amortization	(13,985)	55.68	15.25%	\$ (2,133)
11	(Less) Return on Equity and Debt	(21,840)	55.68	15.25%	\$ (3,332)
12	<b>TOTAL - REVENUES</b>	<u><u>\$ 179,738</u></u>			<u><u>\$ 25,669</u></u>
<b>EXPENSES</b>					
13	Employee Benefits	\$ 3,126	(20.27)	-5.55%	\$ (174)
14	Payroll	18,914	(11.53)	-3.16%	\$ (598)
15	PGA Expense	97,804	(38.62)	-10.58%	\$ (10,350)
16	Other Operations and Maintenance (less uncollectibles)	30,524	(47.04)	-12.89%	\$ (3,934)
17	FICA	1,285	(13.13)	-3.60%	\$ (46)
18	Federal Unemployment Tax	8	(76.38)	-20.92%	\$ (2)
19	State Unemployment Tax	22	(76.38)	-20.92%	\$ (5)
20	St. Louis Payroll Expense Tax	1	(87.33)	-23.93%	\$ (0)
21	ICC Gross Revenue Tax	176	25.92	7.10%	\$ 13
22	Invested Capital Tax	2,248	(30.13)	-8.25%	\$ (186)
23	Municipal Utility Tax	3,438	(45.63)	-12.50%	\$ (430)
24	Energy Assistance Charges	2,219	(45.66)	-12.51%	\$ (278)
25	Corporation Franchise Tax	140	(193.45)	-53.00%	\$ (74)
26	Illinois Public Utility Tax	5,636	(29.79)	-8.16%	\$ (460)
27	Property/Real Estate Taxes	431	(387.27)	-106.10%	\$ (457)
28	Interest Expense	7,852	(91.25)	-25.00%	\$ (1,963)
29	Bank Facility Fees	120	307.92	84.36%	\$ 101
30	Federal Income Tax	4,675	(37.88)	-10.38%	\$ (485)
31	State Income Tax	1,121	(37.88)	-10.38%	\$ (116)
32	<b>TOTAL EXPENSES</b>	<u><u>\$ 179,738</u></u>			<u><u>\$ (19,443)</u></u>
33	<b>CASH WORKING CAPITAL REQUIREMENT - SURREBUTTAL</b>				<u><u>\$ 6,226</u></u>
34	<b>CASH WORKING CAPITAL REQUIREMENT - SUPPLEMENTAL REBUTTAL</b>				<u><u>\$ 6,224</u></u>
35	<b>DIFFERENCE - ADJUSTMENT TO CASH WORKING CAPITAL</b>				<u><u>\$ 2</u></u>

Ameren Illinois Gas Rate Zone II - (CILCO)  
Interest Synchronization Adjustment  
For the Test Year Ending December 31, 2016  
(In Thousands)

Line No.	Description	Amount
	(a)	(b)
1	Rate Base	\$ 285,308 <sup>(1)</sup>
2	Weighted Cost of Debt	<u>2.79% <sup>(2)</sup></u>
3	Synchronized Interest Per Company Surrebuttal (Line 1 x Line 2)	\$ 7,972
4	Company Supplemental Rebuttal Interest Expense	7,998 <sup>(3)</sup>
5	Increase (Decrease) in Interest Expense (Line 3 - Line 4)	<u>(27)</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 7.750%	<u>2</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u>\$ 9</u>

(1) Source: Company Exhibit 34.2, Schedule 2, Page 1, col D, ln 21.

(2) Source: Company Exhibit 34.2, Schedule 5, col E, ln 12, 13 & 14.

(3) Source: Company Exhibit 32.2 WP, Schedule 3, col B, ln 3.

## Ameren Illinois Gas Rate Zone II - (CILCO)

## Gross Revenue Conversion Factor

For the Test Year Ending December 31, 2016

Line No.	Description	Rate (Part 285 A-2.1 RZ-II)	Per Company With Bad Debts	Per Company Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.00000	
2	Uncollectibles (1)	1.0192%	0.01019	
3	State Taxable Income		0.98981	1.00000
4	State Income Tax	7.75%	0.07671	0.07750
5	Federal Taxable Income		0.91310	0.92250
6	Federal Income Tax	35.00%	0.31958	0.32288
7	Operating Income		0.59351	0.59963
8	Gross Revenue Conversion Factor Per Company		1.68488	1.66771

## Sources:

(1) Staff Ex. 7.0 Schedule 7.07 RZ II

## Ameren Illinois Gas Rate Zone II - (CILCO)

## Overall Cost of Capital

For the Test Year Ending December 31, 2016

(In Thousands)

Line No.	Description	Amount	Percent of Total	Percent of Cost	Weighted Component	Effective Tax Rates	After-Tax Cost of Capital
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	<u>PER COMPANY SUPPLEMENTAL DIRECT</u>						
2	Long Term Debt	\$ 2,342,601	47.426%	5.922%	2.809%	40.0375%	1.6840%
3	Short Term Debt	66,244	1.341%	2.280%	0.031%	40.0375%	0.0190%
4	Bank Facility Costs		0.000%	0.042%	0.042%	40.0375%	0.0250%
5			0.000%	0.000%	0.000%		0.0000%
6	Preferred Stock	60,918	1.233%	4.979%	0.061%		0.0610%
7	Common Stock	2,469,764	50.000%	10.250%	5.125%		5.1250%
8	Total	<u>\$ 4,939,527</u>	<u>100.000%</u>		<u>8.068%</u>		<u>6.9140%</u>
9							
10							
11	<u>PER COMPANY SURREBUTTAL</u>						
12	Long Term Debt	\$ 2,342,601	47.426%	5.790%	2.746%	40.0375%	1.6470%
13	Short Term Debt	66,244	1.341%	0.450%	0.006%	40.0375%	0.0040%
14	Bank Facility Costs		0.000%	0.042%	0.042%	40.0375%	0.0250%
15			0.000%	0.000%	0.000%		0.0000%
16	Preferred Stock	60,918	1.233%	4.979%	0.061%		0.0610%
17	Common Stock	2,469,764	50.000%	9.600%	4.800%		4.8000%
18	Total	<u>\$ 4,939,527</u>	<u>100.000%</u>		<u>7.655%</u>		<u>6.5370%</u>
19							
20							
21	<u>EFFECTIVE TAX RATE</u>						
22	State Income Tax Rate	7.7500%					
23	Federal Income Tax Rate	35.0000%					
24							
25	[State Rate + ((1- State Rate) x Federal Rate)]	<u>40.0375%</u>					
26	Source for company capital structure per testimony of Ryan Martin.						